

METROVISION PARTNERSHIP FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2001 AND 2000

ERICKSEN KRENTEL & LA PORTE L.L.P.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
MetroVision Partnership Foundation
New Orleans, Louisiana

We have audited the accompanying statements of financial position of MetroVision Partnership Foundation (the "Foundation") as of December 31, 2001 and 2000 and the related statements of unrestricted revenues, expenses, and other changes in unrestricted net assets, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation at December 31, 2001 and 2000, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 23, 2002 on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

ERICKSEN KRENTEL & LA PORTELLE

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Metro Vision Partnership Foundation

April 23, 2002

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Our audits were performed for the purpose of forming an opinion on the basic financial statements of the Foundation taken as a whole. The accompanying supplementary information presented in Schedules "1" through "3" is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. These schedules are the responsibility of the Foundation's management. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

April 23, 2002



Certified Public Accountants

METROVISION PARTNERSHIP FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2001 AND 2000

ASSETS

	<u>2001</u>	<u>2000</u>
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 383,433	\$ 433,278
Contributions and grants receivable	716,676	543,715
Prepaid expenses	<u>25,996</u>	<u>10,509</u>
Total current assets	<u>1,126,105</u>	<u>987,502</u>
<u>PROPERTY AND EQUIPMENT:</u>		
Furniture and office equipment	148,045	165,102
Leasehold improvements	14,999	14,999
Less: accumulated depreciation	<u>(107,273)</u>	<u>(103,123)</u>
Net property and equipment	<u>55,771</u>	<u>76,978</u>
Total assets	<u>\$ 1,181,876</u>	<u>\$ 1,064,480</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES:</u>		
Accounts payable and accrued expenses	\$ 818,850	\$ 666,524
Due to the Chamber	<u>362,740</u>	<u>360,104</u>
Total current liabilities	<u>1,181,590</u>	<u>1,026,628</u>
<u>NET ASSETS:</u>		
Unrestricted	286	3,352
Temporarily restricted (Note 2)	<u>-</u>	<u>34,500</u>
Total net assets	<u>286</u>	<u>37,852</u>
Total liabilities and net assets	<u>\$ 1,181,876</u>	<u>\$ 1,064,480</u>

METROVISION PARTNERSHIP FOUNDATION
STATEMENTS OF UNRESTRICTED REVENUES, EXPENSES, AND
OTHER CHANGES IN UNRESTRICTED NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
<u>UNRESTRICTED REVENUES:</u>		
Contributions:		
Government	\$ 271,876	\$ 264,876
Private	1,066,418	993,174
Grants:		
Government	2,745,489	1,381,541
Private	284,610	399,754
Interest	5,537	16,318
Other	135,176	47,442
Total unrestricted revenues	<u>4,509,106</u>	<u>3,103,105</u>
<u>NET ASSETS RELEASED FROM RESTRICTIONS:</u>		
Expiration of time restrictions	<u>34,500</u>	<u>2,000</u>
Total unrestricted revenues, gains and other support	<u>4,543,606</u>	<u>3,105,105</u>
<u>UNRESTRICTED EXPENSES:</u>		
Payroll and fringe benefits	2,257,399	1,511,155
Postage and telephone	85,045	76,394
Stationary and supplies	178,771	38,571
Travel, meals and meetings	426,787	312,514
Consultants, communications and publications	998,638	623,739
General insurance	13,435	10,610
Sponsorship and contributions	11,652	5,046
Equipment	51,160	43,435
Rent	92,462	90,519
Bad debt	9,130	-
Depreciation	27,381	26,034
Miscellaneous	26,207	47,497
Interest expense	15,663	14,386
Fundraising	25,550	-
Curriculum development	327,392	388,179
Total unrestricted expenses	<u>4,546,672</u>	<u>3,188,079</u>
Change in unrestricted net assets	(3,066)	(82,974)
Unrestricted net assets, beginning of year	<u>3,352</u>	<u>86,326</u>
Unrestricted net assets, end of year	<u>\$ 286</u>	<u>\$ 3,352</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

METROVISION PARTNERSHIP FOUNDATION
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
<u>UNRESTRICTED NET ASSETS:</u>		
Total unrestricted revenues	\$ 4,509,106	\$ 3,103,105
Net assets released from restrictions	34,500	2,000
Total unrestricted expenses	<u>(4,546,672)</u>	<u>(3,188,079)</u>
(Decrease) in unrestricted net assets	<u>(3,066)</u>	<u>(82,974)</u>
<u>TEMPORARILY RESTRICTED NET ASSETS:</u>		
Contributions	-	34,500
Net assets released from restrictions	<u>(34,500)</u>	<u>(2,000)</u>
Increase (decrease) in temporarily restricted net assets	<u>(34,500)</u>	<u>32,500</u>
(Decrease) in net assets	(37,566)	(50,474)
Net assets, beginning of year	<u>37,852</u>	<u>88,326</u>
Net assets, end of year	<u>\$ 286</u>	<u>\$ 37,852</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

METROVISION PARTNERSHIP FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
<u>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:</u>		
Change in net assets	\$ (37,566)	\$ (50,474)
Adjustments to reconcile the change in net assets from (used in) operating activities:		
Depreciation	27,381	26,034
Bad debt	9,130	-
Changes in operating assets and liabilities:		
(Increase) decrease in contributions and grants receivable	(182,091)	91,497
(Increase) in prepaid expenses	(15,487)	(7,049)
Increase (decrease) in accounts payable and accrued expenses	152,326	(65,696)
Increase (decrease) in due to the Chamber	<u>2,636</u>	<u>(55,480)</u>
Net cash (used in) operating activities	<u>(43,671)</u>	<u>(61,168)</u>
<u>CASH FLOWS (USED IN) INVESTING ACTIVITIES:</u>		
Purchase of property and equipment	<u>(6,174)</u>	<u>(5,944)</u>
Net cash (used in) investing activities	<u>(6,174)</u>	<u>(5,944)</u>
Decrease in cash and cash equivalents	(49,845)	(67,112)
Cash and cash equivalents at beginning of year	<u>433,278</u>	<u>500,390</u>
Cash and cash equivalents at end of year	<u>\$ 383,433</u>	<u>\$ 433,278</u>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</u>		
Cash paid for:		
Interest	<u>\$ 15,663</u>	<u>\$ 14,386</u>

METROVISION PARTNERSHIP FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The MetroVision Partnership Foundation ("the Foundation") is a Louisiana non-profit corporation organized on a non-stock basis. The Foundation was created in order to provide a permanent structure through which the implementation of the economic development plan developed by its predecessor organization, the MetroVision Partnership, could be accomplished. The plan is intended to restructure the Regional New Orleans area economy to provide an adequate base of employment opportunities.

The Foundation is the recipient of government and private grants which fund the Foundation's involvement with the State of Louisiana's School-to-Work program. The School-to-Work program's goal is to provide a continuous system that prepares all students for productive citizenship by challenging them with a curriculum that is rigorous, meets the highest standards, and is relevant to the needs of business and industry.

The Foundation is also the recipient of a government grant which funds the Foundation's involvement with the Louisiana Alliance/Presidential Program for Investments in Honduras (Alianza). The Alianza program's goal is to collaborate, with the public and private sectors in Honduras, to rebuild the nation in the wake of Hurricane Mitch.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly revenue is recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

The Foundation follows standards established for external financial reporting by not-for-profit organizations which requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. A description of the three net asset categories follows:

- **Unrestricted** - Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.
- **Temporarily Restricted** - Net assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the Foundation pursuant to those stipulations.
- **Permanently Restricted** - Net assets whose use by the Foundation is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Foundation.

METROVISION PARTNERSHIP FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2001 AND 2000

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all short-term, highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.

Contributions Receivable

The Foundation considers contributions receivable to be fully collectible. Accordingly, no allowance for uncollectible contributions is required. If amounts become uncollectible, they will be written off when that determination is made. Unconditional promises to give cash and other assets are recorded at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of unrestricted revenues, expenses, and other changes in unrestricted net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying financial statements.

Property and Equipment

Property and equipment are stated at cost, less an allowance for accumulated depreciation. Additions, improvements, and betterments to property and equipment in excess of \$500 are capitalized.

Expenditures for maintenance, repairs, and improvements which do not materially extend the useful lives of the assets are charged to expense as incurred. When property and equipment are removed from service, the cost of the assets and the related accumulated depreciation are removed from the books, and any resulting gain or loss is credited to or charged against the current period's income.

Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. The estimated useful lives used in computing depreciation are as follows:

Furniture and office equipment	5 - 8 years
Leasehold improvements	5 - 10 years

Depreciation expense was \$27,381 and \$26,034 for the years ended December 31, 2001 and 2000, respectively.

METROVISION PARTNERSHIP FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2001 AND 2000

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenues are provided primarily by contributions and grants. Contributions received, including unconditional promises to give, are recognized as revenues in the period received. Grant revenues are recognized in accordance with the terms of the grant.

Donated Services

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Advertising

The Foundation expenses the production costs of advertising as incurred, except for direct-response advertising which is capitalized and amortized over its expected period of future benefits. Advertising expense for the years ended December 31, 2001 and 2000 was \$31,458 and \$35,731, respectively.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Paid Leave

Prior to July 1, 2000, all full-time classified employees of the Foundation were permitted to accrue up to a maximum of 30 days of paid leave (annual leave). Effective July 1, 2000, all paid leave earned subsequent to June 30, 2000 and not used by employees is forfeited. Upon termination of employment, an employee is paid for accrued paid leave based on the respective current hourly rate of pay. All liabilities are accrued when incurred.

METROVISION PARTNERSHIP FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2001 AND 2000

(2) CASH FLOW INFORMATION

During the year ended December 31, 2001, the Foundation disposed of obsolete computer equipment and furniture with an original cost of \$23,231. The equipment and furniture was fully depreciated at the time of disposal.

(3) TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods;

	<u>2001</u>	<u>2000</u>
For periods after December 31, 2001 and 2000	\$ -	\$ 34,500

Temporarily restricted net assets include contributions received in advance for the following fiscal year.

(4) RELATED PARTY TRANSACTIONS

Certain officers of the Foundation are also officers of the New Orleans Regional Chamber of Commerce (the Chamber).

In the ordinary course of operations, the Chamber has made available to the Foundation on a reimbursement basis specific assistance in the form of administrative support and use of facilities. A portion of the salaries and related fringe benefits of those individuals providing such support is allocated to the Foundation. All such allocated amounts are included in the Statements of Unrestricted Revenues, Expenses and Other Changes in Unrestricted Net Assets as "Payroll and Fringe Benefits," "Equipment" and "Rent" and totaled \$341,840 and \$340,280 for the years ended December 31, 2001 and 2000, respectively.

The Foundation also reimburses the Chamber for its portion of certain payments to vendors for operating and administrative expenditures incurred specifically on behalf of the Foundation.

The Chamber charges the Foundation interest on monies advanced to the Foundation. For the year ended December 31, 2001 and 2000 the Foundation was charged interest expense of \$10,918 and \$14,386, respectively on the average outstanding balance due the Chamber.

During 2001 and 2000, the Foundation contracted with a law firm to provide consulting and legal work on a monthly basis. The Chairman of the Foundation is a partner with this law firm. The fees paid to the law firm for the year ended December 31, 2001 and 2000 were \$90,665 and \$135,937, respectively.

METROVISION PARTNERSHIP FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2001 AND 2000

(5) FUNCTIONAL EXPENSES

Expenses incurred were for the following purposes:

	<u>2001</u>	<u>2000</u>
Program services	\$ 4,239,684	\$ 2,885,944
General and administrative	254,057	276,101
Fundraising	25,550	-
Depreciation	<u>27,381</u>	<u>26,034</u>
	\$ <u>4,546,672</u>	\$ <u>3,188,079</u>

(6) CONCENTRATION OF CREDIT RISK

The Foundation maintains its cash in bank deposit accounts at various financial institutions. The balances at times may exceed federally insured limits. At December 31, 2001 and 2000, the Foundation exceeded the insured limit by \$243,741 and \$287,174, respectively.

(7) RECLASSIFICATIONS

Certain reclassifications have been made to the 2000 financial statements in order to conform to the 2001 presentation. The reclassifications had no effect on the change in unrestricted net assets.

METROVISION PARTNERSHIP FOUNDATION
SCHEDULE OF UNRESTRICTED REVENUES, EXPENSES, AND
OTHER CHANGES IN UNRESTRICTED NET ASSETS BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

	MetroVision	School-to-Work State of Louisiana Grant	School-to-Work Baptist Community Ministry Grant	Consortia	Alliance	SLC	Total
UNRESTRICTED REVENUES:							
Contributions:							
Government	\$ 271,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 271,876
Private	981,348	-	-	85,650	-	-	1,066,998
Grants:							
Government	503,247	566,379	-	-	1,411,933	263,902	2,744,459
Private	6,944	-	277,626	-	-	-	284,610
Interest	1,360	-	4,165	-	12	-	5,537
Other	135,176	-	-	-	-	-	135,176
Total unrestricted revenues	1,900,951	566,379	281,791	85,650	1,411,933	263,902	4,509,106
NET ASSETS RELEASED FROM RESTRICTIONS:							
Expiration of time restrictions	34,599	-	-	-	-	-	34,599
Total unrestricted revenues, gains and other support	1,934,551	566,379	281,791	85,650	1,411,933	263,902	4,543,606
UNRESTRICTED EXPENSES:							
Payroll and fringe benefits	1,048,081	71,919	189,902	63,850	746,177	94,410	2,257,359
Postage and telephone	82,189	14,482	400	129	6,318	1,457	85,045
Stationery and supplies	11,707	6,001	4,411	2,188	146,616	6,068	176,771
Travel, meals and meetings	140,982	36,766	6,109	2,570	186,445	53,709	426,787
Consultants, communications and publications	389,823	112,864	90,907	24,584	315,945	65,015	598,638
General insurance	13,435	-	-	-	-	-	13,435
Sponsorship and contributions	11,652	-	-	-	-	-	11,652
Equipment	47,885	3,475	-	-	-	-	51,360
Rent	92,462	-	-	-	-	-	92,462
Bad debt	9,130	-	-	-	-	-	9,130
Depreciation	25,559	-	-	587	-	1,235	27,381
Miscellaneous	12,248	4,546	3,758	3	5,832	-	26,387
Interest expense	15,663	-	-	-	-	-	15,663
Fundraising	25,559	-	-	-	-	-	25,559
Curriculum development	-	317,126	902	5,202	-	-	323,330
Total unrestricted expenses	1,946,186	566,379	296,779	95,419	1,411,933	238,016	4,546,672
Change in unrestricted net assets (liabilities)	(11,635)	-	(14,948)	(14,369)	-	37,886	(7,866)
Net assets (liabilities), beginning of year	(142,450)	(8,414)	123,772	29,418	1,026	-	3,352
Unrestricted net assets (liabilities), end of year	\$ (154,085)	\$ (8,414)	\$ 108,824	\$ 15,049	\$ 1,026	\$ 37,886	\$ 285

See accompanying Auditors' Report

METROVISION PARTNERSHIP FOUNDATION
SCHEDULE OF UNRESTRICTED REVENUES, EXPENSES, AND
OTHER CHANGES IN UNRESTRICTED NET ASSETS BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	Metro/Vision	School-to-Work State of Louisiana Grant	School-to-Work Baptist Community Ministry Grant	Casaorta	Albano	SLC	Total
UNRESTRICTED REVENUES:							
Contributions:							
Government	\$ 264,176	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 264,176
Private	956,018	-	-	37,136	-	-	993,174
Grants:							
Government	466,344	749,000	-	-	137,296	29,001	1,381,541
Private	17,813	-	181,941	-	-	-	399,754
Interest	2,228	-	14,950	-	-	-	16,318
Other	47,442	-	-	-	-	-	47,442
Total unrestricted revenues	1,754,441	749,000	396,031	37,136	137,296	29,001	3,103,105
NET ASSETS RELEASED FROM RESTRICTIONS:							
Expiration of time restrictions	2,000	-	-	-	-	-	2,000
Total unrestricted revenues, gains and other support	1,756,441	749,000	396,031	37,136	137,296	29,001	3,105,105
UNRESTRICTED EXPENSES:							
Payroll and fringe benefits	1,074,323	203,063	139,755	11,322	59,301	19,499	1,511,155
Postage and telephone	62,215	13,206	560	255	158	-	76,294
Stationary and supplies	14,574	11,047	6,470	1,901	4,779	-	38,571
Travel, meals and meetings	159,106	60,579	43,136	6,005	34,186	9,502	312,514
Consultants, communications and publications	326,186	125,112	104,265	26,258	37,798	-	623,739
General insurance	10,610	-	-	-	-	-	10,610
Sponsorship and contributions	5,046	-	-	-	-	-	5,046
Equipment	43,455	-	-	-	-	-	43,455
Rent	96,519	-	-	-	-	-	96,519
Depreciation	25,557	-	-	477	-	-	26,034
Miscellaneous	33,060	10,188	1,901	-	348	-	47,497
Interest expense	14,386	-	-	-	-	-	14,386
Purchasing	-	-	-	-	-	-	-
Curriculum development	-	321,793	29,357	4,429	-	-	355,179
Total unrestricted expenses	1,861,817	749,000	360,144	52,647	136,279	29,001	3,188,079
Change in unrestricted net assets (liabilities)	(104,376)	-	35,887	(15,511)	1,026	-	(82,974)
Net assets (liabilities), beginning of year	(38,074)	(8,414)	87,885	44,929	-	-	86,336
Unrestricted net assets (liabilities), end of year	\$ (142,450)	\$ (8,414)	\$ 133,772	\$ 29,418	\$ 1,026	\$ -	\$ 1,352

See accompanying Auditors' Report

METROVISION PARTNERSHIP FOUNDATION
SCHEDULE OF UNRESTRICTED REVENUES, EXPENSES, AND OTHER
CHANGES IN UNRESTRICTED NET ASSETS -
METROVISION FUND ONLY
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
<u>UNRESTRICTED REVENUES:</u>		
Contributions:		
Government	\$ 271,876	\$ 264,876
Private	981,368	956,038
Grants:		
Government	503,287	466,244
Private grants	6,984	17,813
Interest	1,360	2,228
Other	135,176	47,442
Total unrestricted revenues	<u>1,900,051</u>	<u>1,754,641</u>
<u>NET ASSETS RELEASED FROM RESTRICTIONS:</u>		
Expiration of time restrictions	<u>34,500</u>	<u>2,000</u>
Total unrestricted revenues, gains and other support	<u>1,934,551</u>	<u>1,756,641</u>
<u>UNRESTRICTED EXPENSES:</u>		
Payroll and fringe benefits	1,088,081	1,074,323
Postage and telephone	62,189	62,215
Supplies	11,707	14,574
Travel, meals, and meetings	140,983	159,106
Consultants, communication, and publications	389,822	326,186
General insurance	13,435	10,610
Sponsorship and contributions	11,652	5,046
Equipment	47,685	43,435
Rent	92,462	90,519
Bad debt	9,130	-
Depreciation	25,559	25,557
Miscellaneous	12,268	35,060
Interest	15,663	14,386
Fundraising	<u>25,550</u>	<u>-</u>
Total unrestricted expenses	<u>1,946,186</u>	<u>1,861,017</u>
Change in unrestricted net assets	(11,635)	(104,376)
Unrestricted net (liabilities), beginning of year	<u>(142,450)</u>	<u>(38,074)</u>
Unrestricted net (liabilities), end of year	<u>\$ (154,085)</u>	<u>\$ (142,450)</u>

See accompanying Auditors' Report

METROVISION PARTNERSHIP FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2001

<u>Funding Agency/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education</u>			
<u>Pass-Through Awards:</u>			
The Office of the Governor, Office of Workforce Development/Lifelong Learnings - State of Louisiana School-to-Career	84.278E	113-000098	\$ 566,379 *
St. Charles Parish School Board Smaller Learning Communities (SLC)	84.215L	2201440	<u>263,902</u>
Total U.S. Department of Education			<u>830,281</u>
<u>U.S. Agency for International Development</u>			
<u>Direct Awards:</u>			
Louisiana Alliance/Presidential Program for Investments in Honduras (Alianza)	02.522-G-00- 01-0020-00	N/A	<u>1,411,921</u> *
Total U.S. Agency for International Development			<u>1,411,921</u>
Total Federal Expenditures			<u>\$ 2,242,202</u>

* Represents a "Major" grant under OMB Circular A-133

METROVISION PARTNERSHIP FOUNDATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2001

1. The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.
2. Federal pass-through programs are presented by the entity through which the Foundation received the Federal financial assistance.
3. Contract or Catalog of Federal Domestic Assistance (CFDA) Number is presented for the individual awards scheduled.
4. Of the federal expenditures presented in the Schedule, MetroVision Partnership Foundation provided federal awards to sub-recipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Sub-recipients</u>
School-to-Career Grant	84.278E	\$ 286,576
Allianza	02.522-G-00-01-0020-00	<u>1,295,868</u>
		<u>\$ 1,582,444</u>

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J.V. Lazzaro - 12/31/02

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
MetroVision Partnership Foundation
New Orleans, Louisiana

We have audited the financial statements of the MetroVision Partnership Foundation (the "Foundation"), as of and for the year ended December 31, 2001, and have issued our report thereon dated April 23, 2002. We conducted our audit in accordance with generally accepted auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Foundation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

ERICKSEN KRENTEL & LA PORTELLE

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

MetroVision Partnership Foundation

April 23, 2002

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This report is intended for the information of the board of directors, management, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

April 23, 2002

Erickson, Krentel & LaPorte LLP

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
MetroVision Partnership Foundation
New Orleans, Louisiana

Compliance

We have audited the compliance of MetroVision Partnership Foundation (the "Foundation"), with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2001. The Foundation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Foundation's management. Our responsibility is to express an opinion on the Foundation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Foundation's compliance with those requirements.

In our opinion, the Foundation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2001.

MetroVision Partnership Foundation

April 23, 2002

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Internal Control Over Compliance

The management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Foundation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the board of directors, management, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

April 23, 2002

Ericksen, Krentel & LaPorte LLP

Certified Public Accountants

METROVISION PARTNERSHIP FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2001

SUMMARY OF THE AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of MetroVision.
2. No material weaknesses or reportable conditions in internal control relating to the audit of the financial statements are reported in the Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of MetroVision are reported in the Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. No material weaknesses or reportable conditions in internal control relating to the audit of major federal programs is reported in the Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for MetroVision expresses an unqualified opinion.
6. The auditors' report disclosed no findings that are required to be reported under OMB Circular A-133.
7. The following programs were identified as major programs:
 - U.S. Department of Education
School-to-Career CFDA 84.278E
 - U.S. Agency for International Development
Louisiana Alliance/Presidential Program
for Investments in Honduras (Allianza) CFDA 02.522-G-00-01-0020-00
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. MetroVision qualified as a low-risk auditee under the provisions of OMB Circular A-133.

METROVISION PARTNERSHIP FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2001

B. FINDINGS REQUIRED TO BE REPORTED - FINANCIAL STATEMENT AUDIT

There were no audit findings as defined by *Government Auditing Standards* that are required to be reported in this section of the Schedule of Findings and Questioned Costs.

C. FINDINGS REQUIRED TO BE REPORTED - FEDERAL AWARDS

There were no audit findings as defined in OMB Circular A-133 that are required to be reported in this section of the Schedule of Findings and Questioned Costs.

D. SUMMARY OF PRIOR YEAR'S FINDINGS

There were no findings related to federal awards for the year ended December 31, 2000.